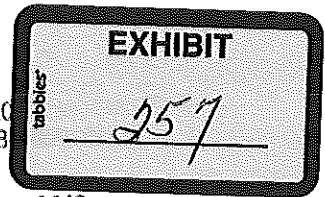


Eric W. Thornburg
President and CEO

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BUREAU OF WATER PROTECTION
OFFICE OF THE BUREAU CHIEF



FEB 04 2010

February 2, 2010



Mr. Paul Stacey
State Department of Environmental Protection
79 Elm Street
Hartford, CT 06106

Re: Comments on Proposed Stream Flow Regulations

Dear Mr. Stacey:

Connecticut Water's technical and regulatory team has already provided testimony on the Department's proposed streamflow regulations, but I felt compelled as President and CEO of the Company to also offer comments on these regulations. I would not normally participate in such a regulatory proceeding, but felt it was necessary given the significance of these proposed regulations and the potential implications for our company and our ability to meet our obligations as public water providers.

Connecticut Water is committed to protecting the state's water resources and share many common interests with the Department and the environmental community. We have worked long and hard to build good working relationships with the Department and environmental advocates and hope that our respective positions on these regulations do not undermine those efforts or the trust that has been developed.

We cannot, however, accept the regulations as proposed, as they would compromise our ability to meet our public water supply obligations and put an undue financial burden on our customers. We have a responsibility to our customers, shareholders and economic regulators to protect our lawful rights to existing registered sources that are necessary to provide for public health, safety and economic development in the communities we serve.

We have long promoted conservation with our customers and recognize that achieving sustained customer conservation is the best long term approach to achieve a sustainable water system. Conservation supports many environmental goals including enhancing streamflows by reducing the demands on current supplies and/or delaying or avoiding the need to develop the next increment of supply. We are taking our commitment to conservation to another level with some innovative programs and ratemaking approaches requested in our most recent rate application. We would rather make investments in conservation programs that provide long term operational and environmental benefits than spending money to make modifications to our systems and conduct costly monitoring to comply with streamflow standards, particularly when there is no clear prioritization of areas of concern or the need to increase releases.

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Mr. Paul Stacey
State Department of Environmental Protection
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We have spent considerable staff time in the stakeholder process and engaged attorneys and consultants to evaluate the proposed regulations as well as their impacts on our systems. As indicated in the testimony by David Radka and Maureen Westbrook we cannot support provisions that are not authorized by the legislature nor can we accept standards that are not supported by sound science. We simply cannot accept regulations that would effectively rescind lawful rights to diversion registrations. While we cannot support the regulations as proposed, Connecticut Water remains available to work with the Department and other stakeholders to develop sound, appropriate regulations under the existing law. We are also willing to work towards appropriate legislative authority to address groundwater, provided it has the necessary balance and appropriate protections for public water supplies.

I would contend that everyone's interests would be better served if the parties regrouped and focused their efforts on revising the portions of the regulations where agreement could be reached in the near term so they could be supported by the stakeholders and adopted. While that may not provide as comprehensive approach to water management as the Department may ultimately want, real and measurable results could be achieved if reasonable regulations could be agreed upon and adopted. There will be opportunities to further consider water resource allocation in the context of a broader public policy debate, but not in these current regulations.

Please don't let the desire to achieve perfection be the enemy of the good. It would be a disservice to all if this process, which has involved considerable collaboration and input from a broad group of stakeholders, degrades to protracted legal arguments and battles before the Regulations Review Committee that will only delay adoption of appropriate regulations. I urge the Department to reconvene the stakeholders to determine what changes can be made to the proposed regulations so something can be adopted and some real benefits realized. Connecticut Water stands ready to work with the Department and the various stakeholders toward that goal.

Sincerely,

A handwritten signature in black ink, appearing to read "Eric W. Thornburg", with a stylized flourish at the end.

Eric W. Thornburg
President and CEO

EWT/lif